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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 23, 2016

Jenna Jorgensen
Jones and DeMille Engineering, Inc.
16 East 300 South
P.O. Box 577
Monticello, Utah 84535

Subject: Deficient Notice of Intention to Commence Small Mining Operations, San Juan County (Operator), Shumway Hovenweep Mine, S/037/0128, San Juan County, Utah

Dear Ms. Jorgensen:

The Division of Oil, Gas and Mining has reviewed the referenced Notice of Intention to Commence Small Mining Operations (NOI), and the following items will need to be addressed before the NOI can be determined complete:

1. Minerals Ownership. Please revise Page 3, Item 6, Minerals Ownership to show "Fee."
2. To allow the landowner to keep the access road after mining is finished, a Variance Request is required. Page 7, Part V, Variance Request, must be completed. The applicable rule is R647-3-109.8, Reclamation Practices, Roads and Pads. The justification for the variance should state that the landowner wants to keep the road and will maintain it as per the applicable rule.
3. With the variance request, Item 8 at the bottom of Page 4 must be revised to state the total disturbed area as 8.63 acres.
4. A reclamation contract will be required for final acceptance of the NOI. The appropriate reclamation contract form can be obtained at this link: http://linux3.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_forms.html. Scroll down the page to download form MR-RC-SMO. The contract must be signed by an authorized official of the operator, San Juan County.
5. Using the Division's 2016 average cost-per-acre, reclamation surety in the amount of **\$46,000** for the proposed 8.63 acres (rounded up to 9) is required. The disturbed area acreage amount reflects the removal of the access road from the total, as per the variance request. This surety amount is for a 3-year escalation and



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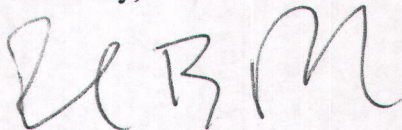
is detailed in the table below. If a cash bond is provided, an IRS form W-9 must be filled out by San Juan County and accompany the cash bond for deposit.

Shumway Hovenweep Quarry, Permit S/037/0128 Reclamation Bond Cost Estimate			
Disturbed Area	Qty	Cost/ac	Total
First acre:	1	\$7,600.00	\$7,600.00
Additional acres:	8	\$4,800.00	\$38,400.00
TOTAL:	9		\$46,000.00

Please provide your response as replacement pages for the original NOI, using Form MR-REV-SMO/EXP, available on the Division's web page at www.ogm.utah.gov.

Please call Mike Bradley at 801-538-5332 or me at 801-538-5261 if you have questions regarding this letter. In reply, please refer to file number S/037/0128. Thank you for your cooperation.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB: mpb: eb
cc: Kelly Pehrson, San Juan County Administrator (kpehrson@sanjuancounty.org)
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